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CAFTA Makes Sense for Montana
By LYNN CORNWELL

I'd venture most Montana residents support increased international export opportunities for local products. After all, we live in an agriculturally prolific state, we produce much more product than we alone can consume, and we are dependent upon the value of these exports for survival.

Exports of Montana's agricultural products help support about 6,320 jobs both on and off the farm in production, food processing, storage and transportation. In 2003, Montana's agricultural exports were estimated at \$400 million, putting our reliance on agricultural exports at 21 percent, according to USDA data.

Therefore, passage of the Central American Free Trade Agreement should be a no-brainer. It's a one-way trade deal that opens doors for U.S. products and would increase Montana's export opportunities.

Right now, imports from Costa Rica, El Salvador, Dominican Republic, Honduras and Nicaragua already enjoy tax-free access to the U.S. market, but in return, our U.S. exports are subject to extremely high tariffs and trade barriers. That's just not fair trade, plain and simple.

As a Montana cattle rancher, this agreement is especially important to me and my family. Immediately after passage, high-quality Montana beef will enjoy duty-free access to these six nations. I'm looking forward to promoting our premier products in this new marketplace. And more than 80 agricultural industry and farm groups agree, including the Montana Stockgrowers Association, the Montana Farm Bureau and the Montana Grain Growers Association.

U.S. beef industry boost

For the U.S. beef industry, the expected benefits are substantial. Studies say exports to the CAFTA nations could triple by 2015. An American Farm Bureau Federation analysis indicates the net gain to the United States' entire agricultural sector could be as high as \$1.35 billion per year, once the agreement is fully implemented.

Unfortunately, there's a swarm of CAFTA myths milling around these parts. The sugar industry received special treatment during negotiations, but still claims this agreement means doomsday. Truth is, CAFTA barely touches the mere 1 percent of Montana farms engaged in sugar production. U.S. sugar can keep special protections it already enjoys, and even after the gradual 15 year implementation period, maximum increased access levels for imported sugar amounts to only 1.7 percent of total U.S. sugar consumption.

Another myth claims CAFTA could create an import surge and would allow access to foreign beef producers at the expense of U.S. producers. Wrong again. The six CAFTA-DR countries already enjoy tax-free access to the U.S. market. Their beef exports are currently subject to a tariff rate quota of 64,805 metric tons, yet this quota has never been filled! The agreement gives limited country-specific access and contains an agricultural safeguard mechanism to protect the U.S. industry against excessive surges in imports.

NAFTA's success

Finally, some are making disparaging comments about NAFTA's success to downplay the opportunities that CAFTA allows. Studies prove NAFTA has increased disposable income by over \$6,000 per family and has also helped to fuel the incredible demand growth that the beef industry has enjoyed. Mexico is now our second-largest export market for U.S. beef. Montana could be more successful in the global marketplace. It's rare to have an agreement like CAFTA that allows America's farmers and ranchers do what they do best - supply people around the globe with the best food value.

Congress must pass CAFTA without delay for the hard-working cattlemen, ranchers and farmers in Montana and across the country. It's a winning proposition for all of us.

Lynn Cornwell, ranches near Glasgow and is a past president of the National Cattlemen's Beef Association.